UNITED STATES DISTRICT COURT EASTERN DISTRICT OF MICHIGAN SOUTHERN (DETROIT) DIVISION

| MIGHTY GOOD SOLUTIONS, LLC, | |
|-----------------------------|--------------------------------|
| PLAINTIFF, | CASE No. 2:22-CV-11153-DPH-KGA |
| -V- | HON. DENISE PAGE HOOD |
| UNIVERSAL GP PRODUCTS, LLC, | MAG. HON. ELIZABETH STAFFORD |
| Defendant. |)) |

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<u>DEFENDANT UNIVERSAL GP PRODUCTS, LLC'S</u> <u>MOTION TO DISMISS</u>

EXHIBIT 8

Universal GP Products, LLC

695 ½ St. Clair Ave., Grosse Pointe City, Michigan 48230 Certified Minority Supplier Certification MI01464

October 2, 2020

> Meghan M. Lamping Carmody MacDonald P.C. 120 S. Central Avenue, Suite 1800 St. Louis, MO 63105-1705

Dear Ms. Lamping:

This is in reply to your September 21, 2020, Sales to Mighty Good letter. So that we may start with a level playing field, the true facts (as redundant as that is) need to be clarified, starting with your first sentence, which veers 180° from reality.

Ben Rendo, Mighty Good Solutions' owner, telephoned *me* on around May 2, 2020, for help, and to be his exclusive supplier, in sourcing 5 million #28 hand pumps. Mighty Good, it seems, had secured a large hand sanitizer order from Sam's Club that Mighty Good was 100% outsourcing. Having no #28 pumps for his 32 oz bottles, Rendo was in panic mode trying to find those pumps so that he could satisfy the Sam's Club order. Rendo got to me through a Sam's Club referral who suggested that I could probably locate what he needed.

During the height of the Covid disruption of nearly all businesses, Rendo over and over emphasized to me that he did not care about the type of pump, its color, its style, or even the cost, and that he would air ship, at his expense, #28 pumps from anywhere in the world. Rendo said that he needed 5 million #28 pumps, no matter what. (And as you can see from the attached emails, Universal, despite your contrary assertion, did supply Mighty Good with exactly what Rendo wanted--the 28-410 pumps. Rendo wrote on May 4th:

Got it. As soon as I get the POs from Sam's, I will forward send you POs for the pumps immediately. Coming out of Vietnam, do you know what the U.S. Duty, Tariffs and or 301 Tariffs would be on this item? **We will go with the 28/410 pump**

Thanks Jose, I really appreciate it.

See also the enclosed May 16th email, confirming the 28/410 pumps. Note that your May 22nd PO designates only a "32 oz. Pump" with no other specification, and although the June 1st PO is for a 28/400A. Mighty Good issued that PO *after* production of the #28/410 had

commenced. Also enclosed is an email from me cancelling PO 945361 P (05/22/2020) as to the #28/400 pumps with the manual notation at the bottom,

40 Cancel

41 All 28/400

42 Per Ben

There is, as well, Rendo's June 6th email stating, "Tested the Korean pump samples. All fit securely and are approved for production. Thank you. Ben." What, please, are the "serious consequences" of precisely complying with a customer's order?

I cautioned Mr. Rendo that if #28 pumps were available, the cost would be north of \$0.70 each #28 pump with air cost included. He then reiterated that *he did not care about the cost* and just needed #28 pumps to match his 32 oz bottles. (And he was quite pleased when the price came in at under \$.70.) This state of affairs is established by our many emails. His representations otherwise to you are untrue. Furthermore,

- (1) I never told him that Universal had ready access to #28 pumps that could be delivered to Mighty Good in two weeks. Indeed, I told him that to obtain for him 5 million #28 pumps would require global sourcing and production in multiple factories. Mr. Rendo's "two-week delivery" misrepresentation is challenged in a mid-May email to me from Charlie Tocco, Mighty Good's CEO, which said that we understand that they are not all going to deliver next week. On its part, Mighty Good moreover never made timely payments for the #28 pump mass production schedule that was created at Mighty Good's request, and neither Messrs. Rendo nor Tocco timely returned emails. Mr. Tocco also regularly misplaced emails and made repeated inventory errors, which created Mighty Good's late delivery problems to Sam's Club.
- (2) Rendo approved in advance the #28 pumps that Universal shipped to Mighty Good, Universal having sent to him #28 pumps for his examination and approval, which he provided. See his above June 6th email. He was indeed so satisfied with our #28 pumps that he went so far as to decline my recommendation that he should measure the #28 pump's tube length, demurring and telling me, "Please use your tube length suggestions. Thanks Jose. Ben."

Universal still has the Mighty Good sample 32 oz and 64 oz bottles from Champion Brands in Clinton, MO, which was the first of Mighty Good's hand sanitizer bottle fillers. Universal's pumps fit both bottle sizes perfectly. (Universal's first two pump shipments went to Champion

Brands, and there was no problem at all with the pumps.) Mighty Good's difficulties commenced when, unbeknownst to Universal, and without Universal having been sent new sample bottles, Mighty Good switched bottle companies.

Mighty Good jumped its hand sanitizer bottle production filler from Champion Brands to, I believe, Southwest Manufacturing in Plano, TX. Again, Mighty Good neither notified, nor, more importantly, ever sent sample bottles, to Universal before switching bottle fillers. Ms. Lamping, Mighty Good's changing of bottle production fillers, without in the least coordinating with Universal—the pump supplier (!)—is exactly what caused your client's serious consequences. Each of these separate bottle filling companies has different mass production procedures, is in a different part of the USA, uses different equipment, and, indeed, different everything. That, and nothing else, is what spawned Mighty Good's delays and increased its cost, none of which resulted from anything that Universal did.

On top of that, Mighty Good's logistic cargo team did not show up for scheduled appointment cargo pick-ups and missed pick-ups completely. Jesse Lacy, Mighty Good's logistics head, even told me at the end of June that Mighty Good does not need more #28 pumps (which Rendo Promptly overruled and as to which I told him that he needs to have better control of his company).

Mr. Tocco moreover emailed Mighty Good's logistic team informing it that there was no rush now "With the 750,000 pumps being air-freighted from Asia, I think we will be fine to send these LTL." Mr. Tocco's reply to Mighty Good logistics re not to use expedited freight but, instead, to use standard LTL meant that rushing was no longer necessary to pick up Universal's #28 pumps.

Please also recognize that this case has unfortunately now moved beyond just Mighty Good and Universal: Mr. Rendo has slandered me and Universal GP Products to others, asserting that Universal was a terrible sourcing agent. Apparently, months after Rendo's panicked call to me for the pumps, which, in the Covid fog, he could locate nowhere else, when earlier this year's pandemic freeze started to thaw and the market again opened up a bit, Rendo and his Mighty Good team became able to source #28 pumps at a lower price. But that is why people make contracts—to guard against changing market conditions.

By email, Jesse Lacy said that the Mighty Good's logistics team would pick-up 337,000 #28 pumps on August 12, 2020. That has yet to occur (Mighty Good has already paid for them yet refuses to come and get them.), forcing us to store them. Universal some time ago informed Mighty Good of cargo storage charges for the merchandise that it ordered but then

failed to pick-up, *i.e*, 475,600 #28 pumps the production of which could not be halted despite Rendo's June 16th late-night production shut down orders (which Tocco reinstated two days later, on June 18th, to *restart* production (with payment) for the #28 pump that Rendo had approved). In addition, Rendo instructed that a larger size #38 pump new mold be built, at a \$10,000 cost, for which he has not paid. After June 18th, Mighty Good again, with no notice, stop making its agreed payments for the second time on top of all of its other missed agreed payments.

The late payments, lack of communication, Rendo's June 16, 2020, #28 pump shut down orders followed two days later by Tocco's restart orders, followed by the again failure to keep making the agreed #28 pump payments, caused hardship, business and personal relationship challenges, and loss of global sourcing future opportunities for Mr. Reyes and Universal. That needs to be compensated.

Rendo and Tocco's two-day stop/start switcheroo in June moreover demonstrates that Mighty Good was then in chaos. Add the over-ordering of raw material components and Mighty Good logistics team's failure to pick-up cargo on time reflect Messrs. Rendo and Tocco managing an out of control company. That is quite unfortunate, but it is not something that Mighty Good can foist on Universal.

Mighty Good now wants to take back money for #28 pumps that its logistics team picked-up from Universal almost four months ago.

These items, namely, 337,000 #28 pumps storage cost, new #38 pump mold cost, 475,600 #28 pump cost, and 475,600 #28 pump storage cost are past due. Universal will accept payment for the above solely by bank wire transfer, as were the previously payments that Mr. Tocco made. Note that the storage fees are continuing. We suggest that your client wire all past due funds immediately and arrange truck pick-up for Mighty Good's approved #28 pumps. See Rendo's attached very clear emails showing his approval and acceptance of all Mighty Good #28 pumps that Universal provided.

That Mighty Good found a different #28 pump supplier, with which it prefers to do business, is fine. That is its business decision, and, according to Rendo, Mighty Good now has a substitute #28 pump supplier at a lower price. But he still has his agreement with Universal, and four months after Universal's deliveries started, Mighty Good now wants to return the #28 pumps and, on top of that, demand money from Universal as to the pumps that it purchased.

 Jose Reyes, President

Universal GP Products, LLC

We recognize, Ms. Lamping, that you (as we) would like an amicable resolution without the need for further legal action. To achieve that, we hope that you are able convince your client to pay \$331,011.60 to Universal for Mighty Good's past due, conforming, ordered goods and subsequent storage charges for the pumps for which your client has paid but refuses to pick up.

Additionally, from what I gather, hand sanitizers are being deleted by retailers everywhere due to slowing sales and that Might Good, as a supplier, could very well be under a lot of financial pressure. I hope at least that you are getting paid.

We expect Mighty Good to promptly pick up its cargo from our warehouse, with immediate payment, to prevent further legal action. Thank you.

Sincerely,